

# U.S. says cost of making cents is under control

By Roger Boye

**D**espite projections to the contrary, a government executive contends that the cost of making Lincoln cents is under control.

"We're experiencing no abnormal price increases," said Michael Brown, special assistant to the director of the United States Mint. "We had anticipated higher inflation rates [than we now have]."

Concern over rapidly rising costs began several weeks ago during congressional hearings on the mint's budget authorization for fiscal year 1986. Officials estimated that during 1986 Uncle Sam would spend 74 cents to make 100 Lincolns, up significantly from the 1984 cost of 60 cents per 100 coins.

Those projections led to speculation in the hobby press that the demise of the Lincoln cent may be just a few years away. Once the cost of producing zinc "pennies" exceeds their face value, government executives probably would be forced—once again—to alter the coin's metal composition or even to abolish the one-cent piece.

But Brown said that mint experts made their estimates for 1986 a year ago and that zinc and copper prices have not increased as fast as expected.

During 1982, government workers began producing Lincolns out of zinc plated with copper—rather than an alloy of 95 percent copper—to lower expenses. Except for the wartime "steel pennies" of 1943, copper had been the primary metal used in all United States one-cent coins since 1793.

The change has saved taxpayers about \$25 million annually because zinc is cheaper than copper. Mint Director Donna Pope told a congressional committee recently that if the government still were making the nearly all-copper cents, production costs in fiscal year 1986 would be 97 cents per 100 pieces.

A consulting firm hired by the government recommended nine years ago that the U.S. should discontinue cent production because of ever-increasing costs, and other factors. Treasury officials did not endorse the idea.

● The Canadian Royal Mint has produced two 1985-dated commemorative coins honoring the 100th anniversary of Canada's national parks. A \$100 half-ounce gold piece depicting a bighorn sheep costs \$260 in U.S. funds, and a proof silver dollar featuring a moose costs \$14.40.

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